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GREENLAND'S OIL & GAS POTENTIAL

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Greenland's Oil and Gas Potential

Major oil companies have been prospecting for oil and gas off southwestern Greenland since 1969. Offshore seismic studies indicate the presence of structures, favorable shale and sandstones which suggest a good potential for oil and gas reservoirs. The volume of potential oil bearing sediment is large and compares favorably with the North Sea and the Alaska North Slope. Moreover, the discovery of natural oil seeps onshore Disko Island -- similar to those found in southern California and the Naval Petroleum Reserve in Alaska -- confirm that hydrocarbons exist in the area. Onshore, Greenland's petroleum potential was first discovered in the late 1930s. It has not attracted as much interest as the offshore shelf area.

Existing seismic prospecting permits are concentrated between northern Baffin Bay and Cape Farewell. Surveys show a continuation of the hydrocarbon-bearing pay-zones of the Canadian Arctic Archipelago. Conversion of prospecting permits to exploration licenses next month would allow firms to start drilling in 1976. However, harsh Arctic environment, ice conditions, and short "weather-windows" for drilling operations will put a severe strain on existing technology and equipment. Few drillships and platforms are capable of working in these conditions. Special ice cutting drilling platforms and subsea well completions may be necessary for development of any oil or gas found. Development costs could be three times those of the North Sea.